



Permanent Mission of
Malaysia
to the United Nations

Statement by
The Honourable Senator Datuk Roslan Bin Awang Cik
Member of Parliament, Malaysia
On Agenda Item 122: Scale of Assessments
at the Fifth Committee of the 61st Session of
the United Nations General Assembly
New York, 18 September 2006

Mr. Chairman,

Since this is the first occasion that my delegation is addressing this Committee, allow me to begin by congratulating you on your election as the Chairman of this Committee as well as to the newly appointed members of the bureau.

2. My delegation would like to thank the Chairman of the Committee on Contributions; Mr. Bernardo Greiver in presenting the Committee's report contained in document A/61/11 and Chief of the Contributions Services, Mr. Mark Gilpin for introducing the report of the Secretary General on multi-year payment plans (A/61/68). My delegation associates itself with the statement made by the distinguished representative of South Africa on behalf of the Group of 77 and China.

Mr. Chairman,

3. The time has come for delegations to begin the deliberations of the UN scale of assessments for the year 2007-2009. When dealing with the scale of assessment, it is vital for us to take into account the various socio-economic factors that affect the well-being of Member States. In other words, we firmly believe that the principle of "capacity to pay" must continue to be the basis in determining Member States' share of contributions to the organization.

4. We took note of the various elements of methodology used for the preparation of the scale of assessments. My delegation wishes to offer our views on the following elements.

5. On the conversion rates for the scale, my delegation fully supports the recommendation of the Committee on Contributions to retain the use of market exchange rates (MERs) in reviewing the scale of assessments for the period 2007-2009. We also support the recommendation of the Committee on Contributions that MERs should be replaced by PAREs or other appropriate conversion rates, in cases where the use of MERs would cause excessive fluctuations and distortions in the income of some member states. However, my delegation has serious reservation about the use of Purchasing Power Parity (PPP) in preparing the scale of assessment. Given the fact that PPP was not available for many countries, we are of the view that this would not be a feasible and practical measure to reflect the Member States' actual capacity to pay.

6. On the length of the base period, my delegation could go along with the existing base period of 4 ½ years. We recognize that it is important to have a reasonable base period that could provide stability and predictability in the UN scale. Nevertheless, we are also flexible to consider other base period that could possibly provide a basis for consensus; it is either a minimum base period of 3 years or a maximum base period of 6 years.

7. With regard to the ceiling rate, my delegation noted that the Committee on Contributions did not provide specific recommendations on this element. My delegation continues to believe that the calculation of the upcoming scale should as much as possible, reflect Member States' real capacity to pay, in which the largest contributor should in effect be paying more for the regular budget than the ceiling of 22%. However, we are of the view that the United Nations remains as a platform that serves the collective interest of all Member States. Thus, the interest of the organization does not solely rely on the contribution of one Member State. My delegation is flexible to further consider any proposals regarding this issue.

8. My delegation recognized that debt burden adjustment is an essential element in the calculation of scale. This element is advantageous to many developing countries that are badly affected by debt repayment. On the other hand, we also continue to recognize the low percapita income adjustment (gradient) as one of the major elements of the scale of methodology that benefited most developing countries. At the same time, we also note the concern of some Member States that ceased to benefit from the adjustments, whose GNI have moved up through the threshold of the adjustment between the scale periods. In this regard, we look forward to discussing in detail possible measures in addressing the problem of discontinuity faced by Member States.

9. Concerning the proposal on having an annual recalculation for the scale, Malaysia is not in favour of such a proposal as the yearly review is a tedious exercise that would make the scale of Member States less predictable, as well as, incur additional resources for technical review.

Mr. Chairman,

10. We note that it would not be possible to establish a scale of assessment that satisfies the need of all Member States. However, we hope that the new scale of assessment will reflect a fair, equitable and balance rate, agreed upon by all Member States. Hence, the new scale of assessment for the period of 2007-2009 should therefore avoid as far as possible drastic changes in Member States' assessment.

11. Malaysia fully recognizes that it is imperative for the United Nations to have a predictable, stable and adequate funding in ensuring all mandates and activities of the Organization are carried out in an effective and timely manner. In this regard, Malaysia hopes that all Member States will continue to honour their assessed contributions and settle their arrears as expected by the Organization, without any conditions attached.

12. Finally, I wish to express my delegation's full support for the work of the Committee on Contributions and we look forward to participate constructively in the discussion of this item.

Thank you.